

The Shepherd Center Of Central Louisiana

***Annual Financial Report
For the Year Ended
December 31, 2010***

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

9/14/11

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ROZIER, HARRINGTON & MCKAY

CERTIFIED PUBLIC ACCOUNTANTS

1407 PETERMAN DRIVE • ALEXANDRIA, LOUISIANA 71301

JOHN S. ROZIER, IV, CPA
MARK S. MCKAY, CPA
LEE W. WILLIS, CPA
RHONDA L. RACHAL, CPA
STEVEN E. KIMBALL, CPA
GEORGETTE VERCHER, CPA

MAILING ADDRESS
POST OFFICE BOX 12178
ALEXANDRIA, LOUISIANA 71315-2178
TELEPHONE (318) 442-1608

M. DALE HARRINGTON, CPA
RETIRED - 2005

June 15, 2011

Independent Accountants' Report

The Shepherd Center of Central Louisiana
Alexandria, Louisiana

We have reviewed the accompanying statement of financial position of the Shepherd Center, as of December 31, 2010, and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. According, we do not express such an opinion.

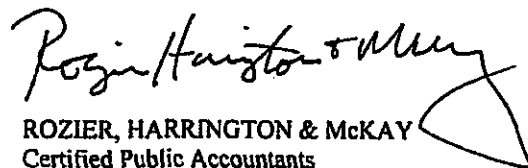
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, with the exception of the matter described in the following paragraph, we are not aware of any material modifications that should be made to the accompanying basic financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, the Shepherd Center receives support in the form of donated materials and supplies. These donated items are distributed to needy individuals as part of the Shepherd Center's regular program activities; however, the value of donated items received and distributed is excluded from the accompanying financial statements. Furthermore, the value of donated materials and supplies held in inventory at December 31, 2010 is excluded from the accompanying statement of financial position. The effect of excluding donated materials and supplies from the accompanying financial statements is not reasonably determinable.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report dated June 15, 2011, on the results of our agreed-upon procedures.


ROZIER, HARRINGTON & MCKAY
Certified Public Accountants

-Members-
American Institute of Certified Public Accountants • Society of Louisiana, CPAs

The Shepherd Center of Central Louisiana

Statement of Financial Position

December 31, 2010

Assets

Current assets:

Cash and Cash Equivalents	\$ 53,083
Investments	117,415
Grants and Pledges Receivable	<u>13,559</u>
Total Current Assets	184,057

Endowment Investments	2,500
Land, Buildings, and Equipment (Net of Accumulated Depreciation)	<u>155,979</u>
Total assets	<u>\$ 342,536</u>

Liabilities and Net Assets

Current Liabilities:

Accounts Payable	\$ 2,157
Other Current Liabilities	<u>640</u>
Total Liabilities	<u>2,797</u>

Net Assets:

Unrestricted	337,239
Temporarily Restricted	-
Permanently Restricted	<u>2,500</u>
Total Net Assets	<u>339,739</u>

Total Liabilities and Net Assets	<u>\$ 342,536</u>
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See the accompanying notes and accountants' review report

The Shepherd Center of Central Louisiana

Statement of Activities

For the Year Ended December 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenue and Support:				
Contributions	\$ 175,560	\$ -	\$ -	\$ 175,560
Federal Grants	-	106,838	-	106,838
Investment Income (Loss)	15,824	-	-	15,824
Net Assets Released From Restrictions	<u>265,606</u>	<u>(106,838)</u>	<u>(158,768)</u>	<u>-</u>
 Total revenue and support	<u>456,990</u>	<u>-</u>	<u>(158,768)</u>	<u>298,222</u>
 Functional expenses:				
Program services:				
Emergency Assistance	<u>296,990</u>	<u>-</u>	<u>-</u>	<u>296,990</u>
 Supporting services:				
Management and General	23,614	-	-	23,614
Fund raising	<u>5,372</u>	<u>-</u>	<u>-</u>	<u>5,372</u>
 Total supporting services	<u>28,986</u>	<u>-</u>	<u>-</u>	<u>28,986</u>
 Total functional expenses	<u>325,976</u>	<u>-</u>	<u>-</u>	<u>325,976</u>
 Increase (decrease) in net assets	131,014	-	(158,768)	(27,754)
 Net assets - beginning of year:	<u>206,225</u>	<u>-</u>	<u>161,268</u>	<u>367,493</u>
 Net assets - end of year	<u>\$ 337,239</u>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 339,739</u>

See the accompanying notes and accountants' review report.

The Shepherd Center of Central Louisiana

Statement of Functional Expenses **For the Year Ended December 31, 2010**

	Program Services		Supporting Services		
	Emergency Assistance	Management and General	Fund Raising	Total	Total Expenses
Salaries, Wages & Benefits	\$ 80,114	\$ 8,512	\$ 2,128	\$ 10,640	\$ 90,754
Insurance	19,765	2,100	525	2,625	22,390
Depreciation	8,971	953	238	1,191	10,162
Professional Services	-	8,435	-	8,435	8,435
Supplies	7,731	821	205	1,026	8,757
Utilities & Telephone	11,728	1,246	312	1,558	13,286
Other	6,745	1,547	1,964	3,511	10,256
Client services:					
Utilities	87,604	-	-	-	87,604
Rent and Lodging	71,506	-	-	-	71,506
Miscellaneous	2,826	-	-	-	2,826
Total Expenses	\$ 296,990	\$ 23,614	\$ 5,372	\$ 28,986	\$ 325,976

See the accompanying notes and accountants' review report.

The Shepherd Center of Central Louisiana

Statement of Cash Flows

For the Year Ended December 31, 2010

Cash flows from operating activities:

Change in net assets	\$ (27,754)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:	
Depreciation	10,163
Change in operating assets and liabilities:	
(Increase) decrease in accounts and grants receivable	(7,271)
(Increase) decrease in other assets	200
Increase (decrease) in accounts payable	1,561
Increase (decrease) in other current liabilities	(3,174)
Net cash provided (used) by operating activities	<u>(26,275)</u>

Cash flows from investing activities:

Proceeds from investment securities	50,000
Acquisition of investment securities	<u>(14,936)</u>
Net cash provided (used) by investing activities	<u>35,064</u>

Cash flows from financing activities:

Principal payments on long-term debt	<u>(43,522)</u>
Net cash provided (used) by financing activities	<u>(43,522)</u>

Net increase (decrease) in cash and cash equivalents	(34,733)
Cash and cash equivalents - beginning of year	<u>87,816</u>
Cash and cash equivalents - end of year	<u>\$ 53,083</u>

Supplemental Data:

For the year ended December 31, 2010, there were no significant cash payments for interest or income taxes. Furthermore, there were no significant noncash investing or financing activities.

See the accompanying notes and accountants' review report.

The Shepherd Center of Central Louisiana

Notes to Financial Statements

December 31, 2010

Note 1 – Summary of Significant Accounting Policies:

Organization:

The Shepherd Center of Central Louisiana (the Shepherd Center) is a Louisiana corporation. The principle activity of the Shepherd Center is furnishing emergency assistance to individuals in need. The Shepherd Center offers emergency assistance with utility, lodging, medical and transportation needs. In addition, the Shepherd Center operates an annual Christmas Cheer program that provides needy families with toys, food and other assistance associated with the Christmas season.

Basis of Presentation:

The financial statements have been prepared on the accrual basis in conformity with generally accepted accounting principles. Preparation of financial statements in conformity with generally accepted accounting principles requires certain estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

As required by Statement of Financial Accounting Standards (SFAS) No. 117, net assets and activities are classified in the following manner:

Unrestricted – Net assets that are not subject to donor imposed restrictions. This classification includes restricted contributions whenever the restriction is fulfilled prior to the end of the period in which the contribution was awarded.

Temporarily Restricted – Net assets subject to certain donor imposed restrictions and restrictions imposed by grant agreements. Temporary restrictions apply when the restriction can be fulfilled by specific actions or by the passage of time.

Permanently Restricted – Net assets subject to donor imposed restrictions that require these assets to be maintained in a perpetual manner.

Satisfaction of temporary restrictions is presented in the accompanying financial statements as net assets released from restrictions. This process simultaneously increases unrestricted net assets and decreases temporarily restricted net assets. Expenses are presented as decreases in unrestricted net assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the accompanying financial statements and the related disclosures. Actual results could differ from those estimates.

Income Taxes:

The Shepherd Center of Central Louisiana is a not-for-profit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Furthermore, the not-for-profit organization is not classified as a "private foundation" by the Internal Revenue Service.

The Shepherd Center of Central Louisiana

Notes to Financial Statements

December 31, 2010

Promises to Give:

As required by generally accepted accounting principles, unconditional promises to give are reported as revenue when the promise is made. Conditional promises to give are recognized as revenue when the necessary conditions are fulfilled.

Cash and Cash Equivalents:

Cash and cash equivalents represent bank deposits (unless permanently restricted) and any cash on hand.

Investments:

Investments consist of marketable securities that are reported a fair market value based on quoted market prices.

Land, Buildings and Equipment:

Land, buildings and equipment are recorded at cost, including interest incurred during construction, on the date of acquisition. Donated property is recorded at the estimated fair value upon receipt. Depreciation on buildings and equipment is computed using the straight-line basis over estimated useful lives ranging from 3 to 40 years.

Assets donated with explicit restrictions regarding their use and contributions of cash earmarked to acquire property and equipment are reported as temporarily restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, The Shepherd Center reports expirations of donor restrictions when the donated or acquired assets are placed in service. Temporarily restricted net assets are reclassified to unrestricted net assets at that time.

Donated Services:

Volunteers are utilized extensively for both program and supporting services. Contributed services are recognized if the services require specialized skills and The Shepherd Center would be required to purchase these services if donated services were not available.

Donated Materials and Supplies:

The Shepherd Center receives various materials and supplies which are distributed to needy individuals. Most of the items distributed by the Shepherd Center have little or no fair market value; however, large quantities of food are collected, stored and distributed. The distribution of food is an important component of the Shepherd Center's program activities; however, it is not considered practical to measure the value of food received, distributed or held in inventory at year end.

Expense Allocations:

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one activity are charged to programs and supporting services based on the estimated amount of time that employees devote to various activities.

The Shepherd Center of Central Louisiana

Notes to Financial Statements

December 31, 2010

Deferred Revenue:

Certain funds are collected subject to conditions that require a refund to the donor if the funds are not spent in a specified manner. Under these circumstances the amounts collected are not reported as revenue until a qualifying expenditure is incurred. Amounts held under these arrangements are reported as deferred revenues.

Note 2 – Cash and Cash Equivalents:

Cash at December 31, 2010 are reported as summarized below:

Petty Cash	\$ 290
Demand Deposits	52,793
	<hr/>
Cash and Cash Equivalents	\$ 53,083

Note 3 – Investments:

The Shepherd Center's endowment fund has been invested in marketable securities as summarized below.

Money Market Mutual Funds	\$ 904
Equity Oriented Mutual Funds	119,011
Total Investments	119,915
Portion Restricted by Endowment Arrangements	2,500
Investments Reported as Current Assets	<hr/> \$ 117,415

Components of investment income for the year ended December 31, 2010 are presented as follows:

Interest and Dividends	\$ 6,632
Advisory Fees	(1,951)
Gain of Investments Carried at Fair Value	11,143
Investment Income	<hr/> \$ 15,824

Details regarding assets measured at fair value on a recurring basis are provided as follows;

	Total December 31, 2010	Fair Value Measurement Using		
		Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Market Mutual Funds	\$ 904	\$ 904	\$ —	\$ —
Equity Oriented Mutual Funds	119,011	119,011	—	—
Total	<hr/> \$ 117,415	<hr/> \$ 117,415	<hr/> \$ —	<hr/> \$ —

The Shepherd Center of Central Louisiana

Notes to Financial Statements

December 31, 2010

Note 4 – Grants and Pledges Receivable:

At December 31, 2010, grants and pledges receivable consisted entirely of grant funds awarded by governmental units. Grants and pledges are considered entirely collectible and there is no allowance for doubtful accounts. Furthermore, all significant accounts receivable are expected to be collected within one year.

Note 5 – Land, Buildings and Equipment:

Land, buildings and equipment utilized by The Shepherd Center at December 31, 2010 are presented as follows:

Land, Buildings and Improvements	\$ 242,406
Furniture, Fixtures and Equipment	37,148
Vehicles	19,024
Total	<u>298,578</u>
Accumulated Depreciation	<u>(142,599)</u>
Net	<u>\$ 155,979</u>

Note 6 – Endowment:

The Shepherd Center of Central Louisiana has received contributions that were previously considered permanently restricted by donors. Based on clarification of documents associated with the donations and negotiations with the donors, the amount considered a permanently restricted endowment has been reduced to \$2,500. This represents a decrease in the endowment balance of \$158,768, which has been reported in the accompanying statement of activities.

Note 7 – Grant Contingencies

The Shepherd Center receives assistance through various grant programs. Management is confident that all significant grant conditions have been met; however, grantor agencies routinely review grant activity and could request reimbursement if a dispute occurs regarding compliance with grant conditions.

Note 8 – Subsequent Events

Management has evaluated subsequent events through June 15, 2011, the date which the financial statements were available for issue.

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M. DALE HARRINGTON, CPA
RETIRED - 2005

Independent Accountant's Report on Applying Agreed-Upon Procedures

June 15, 2011

The Shepherd Center of Central Louisiana
Alexandria, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of The Shepherd Center, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about The Shepherd Center's compliance with certain laws and regulations during the year ended December 31, 2010 included in the accompanying *Louisiana Attestation Questionnaire*. Management of The Shepherd Center is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Federal, State and Local Awards

1. Determined the amount of federal, state and local award expenditures for the year ended December 31, 2010. The awards identified are listed as follows:
 - Emergency Shelter Grant Funds originating with HUD and passed through the City of Alexandria.
 - Emergency Food and Shelter Funds provided by FEMA
 - Homeless Prevention and Rapid Rehousing Funds originating with HUD and passed through the City of Alexandria.
2. We randomly selected 6 disbursements from the bank accounts used for transactions related to the grants described above.
3. For items selected in procedure 2 presented above, we traced the six disbursements to supporting documentation as to proper amount and payee. **No exceptions involving grant programs were noted.**
4. For the items selected in procedure 2 presented above, we determined if the six disbursements were properly coded to the correct fund and general ledger account. **No exceptions were noted.**

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The Shepherd Center of Central Louisiana

June 15, 2011

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5. For the items selected in procedure 2 presented above, we determined whether the six disbursements received approval from proper authorities. **No exceptions were noted.**
6. For the items selected in procedure 2 presented above, we determined whether the disbursements complied with the applicable compliance requirements related to activities allowed or unallowed, eligibility, and reporting. **No exceptions were noted.**
7. For the programs selected for testing in procedure 2 presented above, we compared the close-out reports, where applicable, with the agency's financial records. The amounts reported on the close-out reports agreed to the agency's financial records. **No exceptions were noted.**

Open Meetings

8. Based on the requirements of R.S. 42:1 through 42:13, the Shepherd Center is only required to post a notice of each meeting and the accompanying agenda on the door of its office building. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion.

Budget

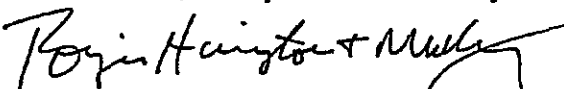
9. Based on award documents, the Shepherd Center provided comprehensive budgets to the applicable grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

Prior Comments and Recommendations

10. The report for the previous engagement did not include any comments or recommendations.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and the Legislative Auditor (State of Louisiana). It should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Rozier, Harrington, & McKay
Certified Public Accountants

The Shepherd Center of Central Louisiana

Management's Corrective Action Plan

For the Year Ended December 31, 2010

<u>SECTION I</u> Accountants' Review Report	
No findings of this nature were reported.	Response – N/A
<u>SECTION II</u> Independent Accountants' Report on Applying Agreed-Upon Procedures	
No findings of this nature were reported.	Response – N/A
<u>SECTION III</u> Management Letter	
No findings of this nature were reported.	Response – N/A

The Shepherd Center of Central Louisiana

Schedule of Prior Year Findings and Questioned Cost For the Year Ended December 31, 2010

<u>SECTION I</u> Internal Control And Compliance Material To The Financial Statements.	
No findings that are material to the financial statements were reported.	Response – N/A
<u>SECTION II</u> Internal Control And Compliance Material To Federal Awards	
No findings of this nature were reported.	Response – N/A
<u>SECTION III</u> Management Letter	
No findings of this nature were reported.	Response – N/A

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)

_____ (Date Transmitted)

Rozier, Harrington & McKay
Post Office Box 12178
Alexandria, Louisiana 71315

In connection with your review of our financial statements as of December 31, 2010 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of Dec. 31, 2010

Federal, State, and Local Awards

We have detailed for you the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes ☒ No ☐

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes ☒ No ☐

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes ☒ No ☐

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes ☒ No ☐

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:1 through 42:13 (the open meetings law).

Yes ☒ No ☐**Budget**

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes ☒ No ☐**Prior Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

James K. McCray Secretary _____ Date _____
James K. McCray Treasurer _____ Date _____
Bobbie Long President _____ Date _____